

ORIGINAL

BEFORE THE
Federal Communications Commission

WASHINGTON, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Assessment and Collection
of Regulatory Fees for
Fiscal Year 1995

MD Docket No. 95-3

DOCKET FILE COPY ORIGINAL

To: The Commission

COMMENTS OF AIRTOUCH PAGING

AirTouch Paging ("AirTouch Paging"), by its attorneys, hereby submits its comments on the Notice of Proposed Rulemaking regarding the assessment and collection of regulatory fees for fiscal year 1995.^{1/} The following is respectfully shown:

1. AirTouch Paging holds numerous Part 22 (Public Mobile) and Part 90 (Private Mobile) authorizations for paging stations throughout the United States. Currently, AirTouch provides local service to over 120 local markets in over 17 states to in excess of 1.5 million paging units. By industry estimates, AirTouch is one of the largest paging service providers and one of the fastest growing paging companies in the United States.

^{1/} In the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 1995, MD Docket No. 95-3, FCC 95-14 (Released January 12, 1995) (the "Notice").

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2. In the Notice, the Commission proposes to increase the regulatory fees for licensees in the Public Mobile Radio Service from \$0.06 per subscriber to \$0.13 per unit.^{2/} The Commission's stated rationale for changing the basis for the fee from subscribers to units is to make the fees paid by Public Mobile Radio Service providers "more equitable."^{3/} However, changing the fee structure for Public Mobile Radio Services (such as paging) in the proposed manner is neither equitable nor will it serve the public interest.

3. The new fee basis will subject paging companies to dramatically increased fees. For example, under the 1994 fee calculation, AirTouch Paging paid \$22,914 in regulatory fees for its Part 22 services. Under the proposed calculation, based on the same number of units (and mix) in service, the regulatory fee would be \$130,650. This is an increase of approximately 570%. Indeed, this increase is substantially greater than the fee increase imposed on other Commission regulated businesses. For instance, the Commission only imposes an increase of 8% on Common Carrier telephone services. AirTouch Paging does not believe that the Public Mobile Radio Services consumed over 560% more resources in 1994 than in 1993.

^{2/} See Notice at ¶44.

^{3/} Id.

4. The negative impact of the fee increase is particularly acute in the paging business. The paging industry is extremely competitive, and operates on a low margin. Dramatic increases in regulatory fees can have a significant adverse affect on this dynamic segment of the wireless industry.

5. In addition, the dramatic increase of fees will reduce the benefits to carriers promoting the resale of their paging service. Under the old fee structure, paging carriers were incented to promote resellers. Under the new fee structure, however, paging companies will be required to pay for reseller units. Because the paging business is so competitive, especially with respect to reseller prices, paging carriers will be unable to pass the new fee on to resellers.^{4/} Since the Commission forebears from any regulation of resellers of paging services, imposing the fee on their services would obviously be contrary to the intent of the Omnibus Budget Act of 1993.^{5/}

6. Increasing the base regulatory fee from \$0.06 to \$0.13 also is unsubstantiated. While other services in the same cost pool enjoyed only a modest 8% increase, the Public Mobile Radio Services suffered a 117% increase. The

^{4/} In other services, such as Common Carrier Services, the Commission requires resellers to pay fees directly to the Commission. See Notice at ¶56.

^{5/} See Public Law 103-317, 108 Stat. 1724 (approved August 24, 1994).

Commission does not even purport to explain why the dramatic fee increase is necessary. This change, coupled with the change in counting methodology, subjects paging carriers to a "double whammy" that is not justified by the record.

7. AirTouch Paging, therefore, respectfully requests that the Commission modify and reduce the proposed regulatory fees due from paging companies.

Respectfully submitted,

AIRTOUCH PAGING

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February 14, 1995

CERTIFICATE OF SERVICE

I, Carolyn M. Floyd, hereby certify that I have, this 14th day of February, 1995, caused copies of the foregoing **Comments of AirTouch Paging** to be delivered by hand to the following:

Mr. William Caton, Secretary
Federal Communications Commission
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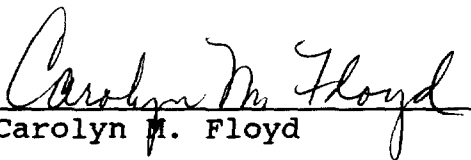
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